

# ANIMAL PEOPLE

*News for People Who*

*Care About Animals*

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## Fundraising & accountability for animal charities

*Fundraising and accountability are the two-stroke engine that drives all successful nonprofit work. Seemingly juxtaposed, at opposite ends of the activity cycle, each actually balances and propels the other.*

*Fundraising is telling people what you need.*

*Accountability is telling people what you have done with what you have.*

*The better you are at persuasively demonstrating accountability, the better you will be at fundraising.*

*No fundraising method is more successful than consistently achieving compelling results.*

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## The importance of enabling caring people to help

Many effective but impoverished animal charities do not get the support they need simply because they do not ask enough people for help, or ask often enough—or they spend their fundraising time chasing elusive foundation grants, instead of developing their own donor base.

Many of the hardest-working, most honest, and most devotedly compassionate people who are doing humane work are inhibited about making their needs known—especially locally, where others are most able to help, as volunteers and as donors of goods and services, even if they have no money to give.

In rich and poor nations alike, animal charity directors

often behave as if they themselves are feral cats and street dogs, doomed to scavenge, in constant danger from a kick, stoning, or impoundment if they approach anyone who might say “No.”

Many others ask for help under the illusion that fundraising is begging, that only the rich should be asked to donate, and that aid will only be given if the beggar seems poorer and more miserable than everyone else on the street.

These animal charity directors are embarrassed to present a professional image while soliciting help, and to be seen giving their animals the best of care, because they fear others will misinterpret this as meaning that they are rich, and do not really need

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or deserve aid.

Such attitudes are not only self-defeating but dead wrong, as evidenced by the ongoing success of the richest organizations. The most successful fundraisers not only attract more aid from the wealthy but also get generous help from some of the people with the least to give.

Successful fundraising, especially in poor communities, depends upon the fundraising institution managing to project itself as a center of community pride, to which everyone contributes and from which everyone derives benefit.

The most important benefit that successful charities confer is the feeling of hope that adverse conditions can be changed.

We have seen this over and over again, all over the world. This is the fundraising prescription that has worked for organized religion since the dawn of time, and it works for animal protection charities too.

Fundraising is *not* begging. It is inviting fellow citizens to join in voluntarily providing an essential community service. The animal charity director who asks for help should seek money, volunteers, supplies, and services with the same pride of purpose that built the Vatican, Mecca, Ankor Wat, and Shaolin, among other great temple cities.

Any community that supports a church, a school, a hospital, or sports has the means and public spirit to support a humane society. What is required is selling the idea, which requires working in a manner that visibly invites participation.

The animal charity that does not ask for help, and does not enable others to assist in whatever way they can, is failing itself and failing the animals it purports to aid, because it is not empowering fellow citizens and animal lovers to respond to cruelty and misery that is often breaking their hearts, in silence and secrecy because they feel that no one else cares.

Thousands of people who feel just as badly on behalf of suffering animals as the people who run animal charities are miserable every time they see a street dog or feral cat or hear about cruelty, not only because the animals are suffering, but also because they feel utterly helpless and frustrated about it.

These kind people want to do something, but will never know what to do, or how to do it, or whom to trust, until they are shown an example of someone else helping and are asked to participate, by giving money, food, transportation, volunteer time, or whatever else they have to spare that can be of use.

If all a person can do is help to socialize puppies and kittens by cuddling them for an hour, that is a positive contribution, and needs to be invited, accepted, and welcomed. Often this will lead to larger contributions later, sometimes in the form of a substantial bequest.

Most people wish they could do something to combat suffering, illness, trauma, and despair on a wider scope than just fighting the portion that comes into their own lives, but they do not feel strong enough. They do not feel they have the courage or resilience or capacity for giving love without reserve that charitable work takes.

Animal rescuers and defenders are often among their secret heroes. Animal charities are doing what they would do, if they could, and they will be very glad to help in whatever way they can, if they are asked, invited to participate, and thanked.

We know this is true even in the poorest nations because

it is true everywhere.

In the U.S., one household in four donates money to animal causes. One household in 10 feeds homeless cats or dogs, if the residents see them. We know this because this behavior has been studied by pollsters and sociologists.

We also know, from some of the same studies, that while immigrants donate much less money to animal causes, and typically also have much lower incomes, that immigrants feed homeless animals with even greater generosity than people who were born in the U.S. Because the U.S. has immigrants from everywhere, studies of immigrant behavior provide a perspective on global attitudes.

**ANIMAL PEOPLE** has affirmed on our frequent expeditions to other parts of the world that people who care about animals are everywhere. We have seen countless plastic bowls of food and water in trash-strewn allies, plates of leftovers on rooftops, and food waste discreetly left outside dumpsters, where dogs, cats, and other animals can find the leavings. From Kiev to Capetown, Calcutta to Machu Pichu, San Juan to Istanbul, Beijing to Atlanta, scenes we have witnessed testify to broadly shared concern that only needs organization to become a transformative movement.

The foundation of empathic transformation is giving, and giving begins with asking in a manner that empowers the giver to help.

### When to increase fundraising

Effective charities actively and continuously inform potential supporters of their needs. This requires an active and continuous investment of time and budget in providing information to donors, through newsletters, special mailings, e-mail alerts, an up-to-date web site, fundraising events that give supporters the opportunity to meet with the charity directors, and informally conversing with anyone who calls.

All of this is part of the essential work of a charity, and all of it should be viewed as developing and encouraging the donor base.

Unfortunately, even advisors who try to help animal charities may at times inadvertently reinforce the inhibitions that hold too many back. The January/March 2004 edition of the Animal Welfare Board of India magazine *Animal Citizen* featured an excellent guide to animal charity fundraising and obtaining publicity—except for one mistake:

“Too many nonprofit organizations spend 50% of their money in order to raise the other 50%,” the anonymous author declared. “This is bad planning. Your entire cost should not be more than 5%.”

Holding fundraising investment to 5% of the anticipated return is a surefire prescription for perpetually lacking the wherewithal to grow.

The Wise Giving Alliance, the largest standard-setting entity for U.S.-based nonprofit organizations of all types, recommends that the combined fundraising and administrative expense of a charity should not exceed 35% of total spending—in a nation where postage, printing, paper, telephone service, and Internet service (the usual mediums of fundraising) are all much less costly relative to personal income than in most of the rest of the world.

Logically, fundraising might cost more in India.

Throughout the past 15 years, the average and median investment in fundraising and administration by animal charities reviewed in the annual **ANIMAL PEOPLE** feature “Who gets the money?” has hovered close to 28%, as determined by our own assessment of IRS Form 990 filings and/or balance sheets. We evaluate the expenditures of a globally representative cross-section of the most prominent animal charities, of every kind.

In 2004, as in most years, 75% of the charities whose data we looked at were at 35% or lower. Nearly half were between 21% and 35%. Almost three times as many charities were in the 14% to 21% bracket as were in the 35% to 42% range.

About two-thirds of the charities with significantly low fundraising and administrative expense are based in the U.S. or Britain, and are rich enough to run in large part on interest—in effect, on the momentum of past decades of fundraising success. Typically the proceeds of their endowments finance their further fundraising efforts, which bring in millions of dollars from well-primed donor lists.

The other third, including about two out of three charities outside the U.S. and Britain, most younger charities, and even **ANIMAL PEOPLE** in 10 of our first 12 years, significantly under-invested in growth—and survival.

For every animal charity that spends more than 42% of budget on fundraising and administration, or has financial reserves of more than twice its annual program spending, two appear to be starving themselves by not spending enough.

The bottom line is the bottom line. An animal charity that does not have adequate financial reserves to survive a briefly slumping national economy without a crisis, and is not already spending close to 28% of time and budget on fundraising and administration, needs to increase fundraising investment. Aiming at 28% should keep most charities under the 35% ceiling recommended by the Wise Giving Alliance, even in a global economic downturn. Aiming lower is underselling the mission.

### Fundraising potential

The American Animal Hospital Association, in the same year that **ANIMAL PEOPLE** first produced “Who gets the money?”, initiated an annual “National Survey of People & Pet Relationships.” This survey has recorded the steadily increasing awareness of Americans of the needs and well-being of companion animals, with perhaps the most significant finding coming in November 2004.

Since 2001, the American Animal Hospital Association surveyors found, 53% of American pet-keeping households have increased their spending on animals.

The American Pet Products Manufacturing Association has published statistics demonstrating what this means: U.S. spending on pets has increased from \$17 billion per year in 1994 to \$35.9 billion projected in 2005.

U.S. animal charities tend to raise in donations a sum roughly equivalent to about a 15th of the income of the pet industry: \$2.5 million in 1994, \$5.4 million in 2005. British animal charities raise funds at a comparable rate, and there is no reason to believe that the fundraising potential of animal charities right around the world is not in the vicinity of 15% of spending on pets.

The China Animal Agriculture Association’s National Kennel Club announced in February 2005 that there are now more

than 150 million pet dogs in China, two and a half times as many as in the U.S., for a ratio of one pet dog per nine humans, similar to the ratios of dogs to humans in France and Britain.

The Chinese pet industry is now worth about \$60 million per year, the CAAA National Kennel Club told the Xinhua News Agency—and is growing fast enough to increase twelvefold within the next three years, with projected potential to level off at about \$18 billion per year.

If Chinese animal charities could raise 15% of the money that Chinese citizens now spend on pets, Chinese animal-related nonprofit fundraising potential would now be approximately \$4 million a year: more than 10 times the cumulative income of all of the animal welfare charities currently working in Beijing, but only two-thirds as much as the Hong Kong SPCA alone raised in 2003, by educating supporters about the need to donate, and then asking for contributions, not just once but continuously, at appropriate opportunities throughout the year.

Chinese animal charity fundraising potential could soar to \$1.2 billion a year within the foreseeable future. That would be about as much, adjusting for inflation, as the U.S. animal protection sector raised as recently as the early 1990s.

The potential for marked growth of the animal charity donor base clearly exists, not only in the U.S. and Britain, where the potential is being realized, and not only in China, where it has barely been tapped, but throughout the world.

The animal charities that do the most with the least must realize that they deserve support as much as the big and rich.

Also essential for animal charities in the economically disadvantaged parts of the world to realize is that the low-wage occasional donors who are attracted today will become much more affluent donors in the near future, as their national economies develop. Becoming acquainted with them and expressing appreciation of whatever they can give today will be well worthwhile tomorrow.

The animal charity that hesitates to seek such donors now will be rapidly left behind as affluence increases, while the charity that made low-wage occasional donors feel welcomed and valued now will become the charity that enjoys the most support.

### Learn from your dog

Your dog can teach you everything you need to know about running an animal shelter—or any pro-animal organization—in a manner that attracts support.

Your dog understands how to greet every visitor as a valued friend. No one makes more friends, faster, than any good dog—and even the loneliest person can often make friends just by getting a dog.

Dogs sell themselves to adopters, given half a chance. If your organization runs a shelter and is not successfully adopting out dogs, in a community where people often keep dogs, then you need to pay more attention to how dogs themselves make people fall in love with them, and give them more chance to do it.

Your dog knows how to give the impression at all times of being reliable, trustworthy, comforting, and loyal.

The three most important aspects of selling anything, from real estate to ideas, are image, utility, and price. Dogs are born knowing how to sell themselves, using all three of these concepts at once.

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Image is how you feel about yourself. There is a saying in India that, "Whenever we are unhappy, God sends a dog." Dogs make most people feel better, most of the time. They play, they wag their tails, they come up to be petted, and they will forgive any offense from someone who usually treats them kindly.

Utility is whether or not something is useful. For just a word of praise, your dog will do anything useful that he or she can figure out how to do. The hardest part of dog training is just getting the dog to understand what you want the dog to do. Once the dog understands, the job will never be neglected or forgotten.

Price is the first thing people ask about in making any decision to acquire something, and is the last thing they think about. Dogs realize that. They give you loving attention before making any demands at all. They introduce themselves as your dog, so enthusiastically that the price you pay for adopting and keeping them seems more like fulfilling a familial obligation than like spending hard-earned money. You adopt a dog because the dog has already become part of your family, on sight and sniff.

Your dog understands follow-up service, too. Your dog didn't just go home with you assuming that everything was going to be perfect. Your dog, or any dog, knows that although most people are decent and well-meaning, most are quite ignorant about dog needs and behavior. Therefore your dog is a patient and forgiving teacher. A dog never assumes that anyone is too stupid to learn.

You are probably here because of lessons your dog taught you. You can help keep hundreds of dogs in homes just by helping dogs to teach their people the things you have already learned. Every dog you help to stay in a home is a dog who not only will not come to your shelter, but also will repay your kindness by helping to sell other people on the value of your work.

Your dog knows how to facilitate adoptions, raise funds, convince you to change your lifestyle on animals' behalf, and win community support—but that is far from being everything your dog can teach you about nonprofit fundraising and shelter management.

For example, your dog knows how to handle paid staff and volunteers.

Your dog understands whom to admit to the pack, which is essentially everyone willing and able to contribute to the strength of the pack, and whom to drive off as a threat and a troublemaker. Rarely will your dog misjudge people.

Every dog, at all times, knows his or her place in the pack hierarchy, and will play the appropriate role. Every dog understands how to cooperate within a pack, how to earn status, and how to inspire and motivate others.

Your dog also knows inventory management. There is not another dog, cat, bowl of food, place to sleep, or anything

else that would interest a dog that your dog does not keep close track of. Your dog realizes that this is indispensable knowledge. You must be able to account



for all of the animals and all of the resources entrusted to you at all times, in order to earn and maintain donor confidence, without which you cannot survive as a nonprofit institution.

Your dog does not know how to keep a double-entry ledger or use a computer, but if your dog did, you would never have to worry again about the accuracy of your accounting. Neither would the dog-loving public ever doubt your truthfulness.

You have to learn to keep written records of everything you do precisely because your dog cannot do it for you, and cannot vouch for what you do with money, property, or veterinary drugs. You must learn to document your activities well enough to withstand any amount of suspicious sniffing from people who do not understand the motives of a person who loves animals.

Think of this as the fundamental law of shelter management: ***I will translate into human terms what my dog would do. When in doubt, I will consult my dog.***

Animal shelters do for dogs, cats, and other animals what dogs would do if dogs had opposable thumbs, and could learn to write and use tools.

I have a theory that humans operate animal shelters by way of paying off a debt. Our ancestors could never have outlived saber-toothed tigers and the Ice Ages if dogs had not protected them and kept them warm. When humans learned to cultivate grain, and cats were needed to help control the depredations of mice and rats, dogs admitted cats to our family circle.

People who think dogs and cats are ancient enemies have not watched how they work together. Dogs and cats of the same household or extended "pack" will routinely nurse each other's orphaned young, and cases of dogs risking and even losing their lives to try to save cats from housefires are nearly as common as cases of dogs exercising such courage on behalf of humans.

Cats, in turn, will hasten to comfort a frightened or despondent dog of the same household.

Both cats and dogs together take care of us, and without them, we could never have built civilization.

Perhaps our relationship with dogs and cats began because dogs understood that they would need the help of a species with opposable thumbs and technological capabilities, in order to realize their dream of plenty of food and affection for every canine.

Later, dogs included cats in the deal because cats too were necessary.

Whatever happened, dogs taught us our principles of social organization, which prevailed among canine species for millions of years before humans existed.

Dogs made an immense business investment in humans, and can continue to be our helpers and mentors, especially in what concerns them, if we only have the wisdom to notice.

With that thought in mind, I am here merely to articulate some ideas with greater specificity than your dog can manage in human language.

It is commonly observed that people tend to resemble the animals they choose as companions. For example, while I do not look much like any of our five dogs or 14 cats, you may not be surprised to know that we also have a pair of jackasses. They also have long legs, grey beards, big noses, and pony tails, and are lifelong vegetarians.

New Hampshire animal advocate Peter Marsh observed

a few years ago that "People who rescue feral or abandoned or abused animals also tend to resemble the animals they help in the psychological sense. Just as feral or abandoned animals or animals who have been abused tend to be frightened and furtive, so we ourselves are often frightened and furtive, and fear the public will think badly of us because we have too many animals, or 'waste' our efforts on animals instead of people, or must euthanize some animals. We don't invite people into our shelters because we think they won't understand what they see.

"Therefore they don't understand why we can't give life-time care to every animal someone dumps on us, or why we are always stressed out and blaming pet keepers for being irresponsible--and we don't get the help we need to change things. I further submit," Marsh finished, "that it is time we opened the doors."

The importance of attracting and welcoming visitors to your shelter cannot be over-emphasized. People have to see your animals in order to fall in love with them. People have to see your work in order to appreciate it. People have to know who you are, where you are, and how valuable your services are, before they can be persuaded to give you volunteer time, food, building materials, or money.

Attracting visitors is the surest way for any animal shelter to raise more money. The more visitors a shelter has, the more volunteers and donors it will attract. Even one-time visitors to shelters and sanctuaries donate, on average, at many times the level of non-visitors, and can be encouraged to donate more through effective outreach, whether by mail or personal contact.

Successfully attracting visitors who become regular donors begins with presentation. Every shelter should welcome visitors with an attractive sign. This is your equivalent of your dog's wagging tail. The sign should state the name of the organization, the hours of operation, the mailing address, and a telephone number that will be answered as close to 24 hours a day, seven days a week, as you can possibly manage.

Be aware that people are most likely going to be looking for a lost pet, or trying to adopt a pet, when they are not at work. It is more important to be accessible during the evenings and on weekends than during morning business hours.

Likewise, people are most likely to call you about a crisis they are having with an animal during the evening or on a weekend--and it is then, when the crisis is still going on, that you have the best chance to intervene to keep a dog or cat in a home.

Shelter adoption-and-reclaim hours should include afternoons and evenings, all seven days of the week if possible.

Visiting hours can be briefer, but are very important to offer. Visiting hours are the times when people can come to get acquainted just out of curiosity, not under some sort of stress or duress. Visiting hours need to be publicized with the same vigor as if you were promoting a sports event or a theatrical performance. Your dogs and cats will provide the entertainment. Your job is to invite the public to come and enjoy it--and you have to make sure that the dogs and cats get the opportunity to make them feel so good about coming that they want to come back.

Welcoming visitors, incidentally, is among the easiest animal shelter jobs to delegate to volunteers--especially young volunteers, such as high school students.

Greeters should be assigned to show a specific sequence of facilities to visitors, ending at whatever attraction seems most

successful at inspiring donations, with a list of answers to frequently asked questions. More complex questions can be referred to senior staff—but most questions will be repetitively asked, and will concern either features and policies of the facility, or the life histories of resident animals.

The story of each animal should end with a succinct mention of the cost of keeping each animal for a day, a week, or a month, along with the cost of sterilization surgery, vaccinations, and any other necessary treatment that the animal receives.

Each question is a chance to solicit funds, by explaining how donations make doing whatever you are doing possible, and how obtaining more support could enable you to do more things, in a better manner.

Any animal shelter without prominent canisters for collecting donations needs to add some, so that visitors can discreetly contribute whatever money they have in their pockets whenever they feel the impulse.

You should also have literature for visitors explaining how and where to send money, how to donate goods, what goods are welcome, and how to leave a bequest to your organization.

Each pamphlet should include a pre-addressed donation envelope, so that visitors can send you contributions later.

The more items people take to read later, distributed with a self-addressed envelope (postage-paid, if possible), the more money a shelter will receive. The envelopes make donating easy, and ensure that all donations are sent to the right place.

Start saying "thank you" even before you get your first donations from people--just as your dog would. Bounce up and down and wag your tail when prospective donors even look at you. Thanking donors increases response—including when prospective donors see others being thanked.

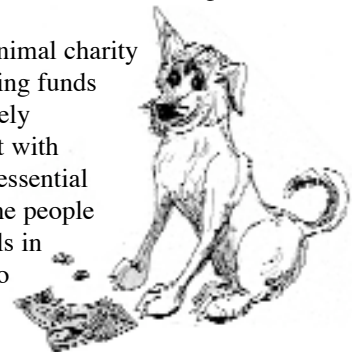
On your shelter grounds, an attractive sign or plaque should acknowledge every donated item. Prominent thank-you not only encourage donors to give again, but also inspire others to contribute.

## **Success sells success**

Success sells success. Any community big enough and rich enough to have traffic congestion on market days is quite big enough and rich enough to support basic humane services, including low-cost vaccination, sterilization, animal rescue, and emergency sheltering--and I must emphasize that sheltering animals should only be an emergency response.

If you are doing an adequate job of preventing surplus dog and cat births by means of sterilization, 95% of the animals in your community will never enter your shelter, or any shelter, even though they all benefit from the services and public education you provide.

Unfortunately, many animal charity directors mentally equate soliciting funds with street-begging by the severely disadvantaged and destitute, not with obtaining voluntary support for essential community institutions. Even the people who most devotedly help animals in other ways are often unwilling to ask for money, because they do not wish to be seen as beggars.





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Those who do ask tend to rely on descriptions of misery—and then they find that more people turn away in disgust and horror than actually contribute.

Take a lesson, again, from your dog. Your dog does not feel unwanted and unworthy when your dog solicits a pat on the head, a treat, a walk, or a meal. Rather, your dog knows you want to help because your dog is a fine dog, a good and loving dog, and you are a good and loving person. Your dog is confident that you think well of him, or her, and wish to reward your dog for excellent behavior.

Your dog gets what your dog wants and needs. Your shelter dogs and cats could get what they want and need, if you were even half as good at asking for it, beginning with having a positive attitude: you will get the contributions you need because you are worthy. You will prove that you are worthy by doing tricks, if necessary; but you will never doubt that good deeds will be rewarded.

The very strength of your expectation will help to persuade the prospective donor to live up to your hope.

### Facilities are fundraisers

Bear in mind that when you invite people into your shelter, or any municipal pound you may work with, you are inviting important guests not only into your animals' temporary home, but also into their own homes, in a sense, because they will form their impressions of how animals should be kept and how animals will affect their lives from what they see, smell, and hear.

If the shelter looks like a prison, stinks like a cesspool, and sounds like hell in full cry, you will not succeed, because people do not want to invite misery and chaos into their lives.

There is no animal shelter or pound which cannot afford to be clean, neat, attractively lighted, odor-free, and quiet. The only kind of poverty that causes a shelter to be bleak, stinking, and intolerably noisy is poverty of the imagination.

Pay attention to what your animals seek out and ask for. Cats need vertical space and a comfortable bed. Dogs crave company. They want to be part of a pack, so it is quite all right—indeed essential—to house small groups of compatible dogs together.

Any dog, moreover, will be psychologically and physically healthier—and more easily adopted—if kept in almost any kind of facility other than conventional cinder-block-and-chain-link runs with tin roofs.

If I was a mad scientist vivisector, trying to find out how fast I could drive dogs, cats, and people insane, I would put them all into a typical animal shelter, in which the cats cannot climb or escape the sound of barking, the dogs can only run madly back and forth and bark for exercise, the tin roof amplifies noise, and the air circulation is inferior to the air exchange level achieved by any functional flush toilet.

Animal shelters of conventional design unconsciously reflect the medieval practice of keeping hunting packs in otherwise empty stalls at the end of a horse stable.

When humane societies began sheltering dogs about 130 years ago, they blindly copied the arrangements of hunting kennels, not pausing to consider that hunter attitudes toward animals are fundamentally opposite to the humane ideal.

Shelters of 21st century design no longer have barred cages or narrow linear runs for dogs. Instead, each dog room is

designed to hold small compatible groups of dogs, and the dogs are enclosed in storefront-grade shatterproof window glass. Stale air is pumped out from floor fronts and fresh air is blown in from outdoors at the top, to promptly remove odors, with air exchange at a rate of not less than a complete change every half hour.

Hong Kong SPCA shelter architect Jill Cheshire literally discovered the advantages of using glass instead of chain link fencing or bars by watching and listening to her dogs in various different environments.

"To lower the volume of noise inside a dog shelter," Cheshire says, "you have to realize that dogs see with their noses. Bars or chain link allow them to be stimulated by everything that goes on in your shelter. Because what stimulates them most is the presence of other dogs, and there are always other dogs in a shelter, they bark all the time. Then shelters often try to deal with the noise by restricting what their dogs can see. They end up putting their dogs inside boxes, with no visual stimulation at all—so what do they have left to do? They bark some more.

"What we have learned to do instead," says Cheshire, "is to put the dogs inside glass, so that they can see everything but cannot smell anything. This encourages them to spend a lot of their time up looking around, using their other senses and being in front of their enclosures where the visitors will see them and maybe adopt them. If you look inside a glass-enclosed shelter, what you see are lots of alert and attentive dogs, who are always watching everything very carefully, but are rarely barking."

As a last word about the importance of odor control, please note that worldwide, more than 80% of animal protection donors and animal shelter volunteers are female. Most are between the ages of 20 and 50. Women in that age range have up to seven times the olfactory acuity of most men. If your facility stinks, you will be repelling the very people who otherwise would be most likely to support you.

### Feral cats are not role models

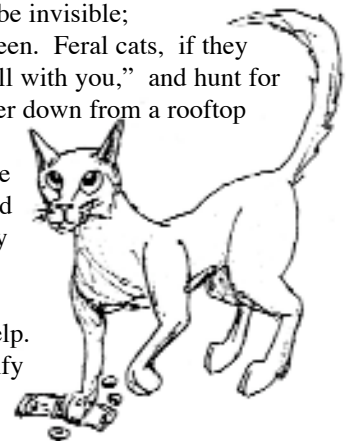
Some cats are outstanding fundraisers. Those are the cats who are as gregarious as dogs, who introduce themselves to every visitor with head rubs and purr whenever touched.

Feral cats, on the other hand, are your worst possible role models. A feral cat is a consummate survivor, whose hardihood, resourcefulness, and evasive independence are all to be admired, but the traits that enable some feral cats to thrive in even the harshest and most hostile environments are the antithesis of successful fundraising.

Feral cats know how to be invisible;

a successful fundraiser must be seen. Feral cats, if they do not get a handout, say "To hell with you," and hunt for themselves. Feral cats will glower down from a rooftop and spit in your face, but never come to be petted. Suspecting the worst of humans, often with good reason, feral cats ensure that they *only* experience the worst from humans because they isolate themselves from every kind of help.

You may love and identify with feral cats, but if you truly want to help them, your role



model must be your dog, or the exceptionally gregarious cat, who begs for food he does not eat and then walks away.

Why does he do this? To let others eat, of course. His role in the cat community is to be the fundraiser. He gets what all the other cats need. Learn from that cat, or your dog, and you cannot go wrong.

## Turn the flood of animals into cash flow

Your organization is in desperate trouble. Inspired by the success elsewhere of a free or low-cost pet sterilization program, sterilization-and-return to habitat of feral cats and street dogs, or a no-kill high-volume adoption center, you started such a program --but now, just a year to three years later, instead of seeing the dramatic drop in your workload you anticipated, after a certain number of animals were sterilized, you are asked to handle more cats or dogs than you ever imagined could exist.

Your volunteers are exhausted and demoralized. And you have no more money.

It is time for a serious pep talk. Your problems are—ironically—a predictable indication of your success and bright prospects. You are well embarked on a journey that enough others have made that the mileposts are marked. Believe it or not, you are at the breaking edge of perhaps the most rapidly successful grassroots transformation of public policy in global history, and it is not surprising that you sometimes feel as if you have stepped *Through the Looking Glass* into chaos from which a fundraising tea party with the Mad Hatter and the White Rabbit cannot save you.

The late sociologist Bill Moyer of the Social Movement Empowerment Project in Berkeley, California, identified ten stages of movements for social change, discernible in the history of every movement—both successful and unsuccessful—beginning with recognition of a problem by a handful of critics.

Activists then begin to draw attention to the problem. The public and power-holders begin to recognize the problem but resist the solution. Activism increases. The cause takes off like a rocket, then either succeeds or fails, depending upon how well the longtime critics and activists handle the transition from obscurity to popularity, when change-oriented momentum must be converted into creating a self-sustaining institution to secure the gains in public opinion.

Sterilizing and rehoming dogs and cats follows the typical movement pattern, from the slow rise of each concept right to where you are today, up to your ears in cages and caterwauling from your most unappreciative wards.

After millennia of controlling street dog and feral cat populations by endlessly killing animals, year after year after year, communities all over the world are exploring more humane responses, often succeeding.

Within my career as a journalist, reporting about various aspects of the urban ecology, the numbers of dogs and cats killed by U.S. shelters and pounds has fallen from more than 130 per 1,000 U.S. human residents to about 17 per 1,000. No other nation ever impounded and killed dogs and cats as aggressively as the U.S., but the percentage changes are comparable in Costa Rica, Japan, parts of India, most of western Europe, Singapore,

and Hong Kong. Almost everywhere that we have animal impoundment and killing statistics on file from 10 or 20 years ago and today, the numbers of dogs and cats impounded and killed are markedly less, even though the numbers kept as pets have more than doubled.

Most of the thousands of small community-based projects that are most responsible for this extraordinary progress are just reaching the point Moyers described as Stage Six, the critical transition point, for which Moyers cited several "symptoms":

- Increasing recognition of the movement results in increasing public demands upon the people presenting the alternative approach to the problem.

- Public institutions still have not put resources behind the alternative approach.

- The people offering the alternative approach are mostly volunteers. Their resources are exhausted by the long struggle, they are tired, and between growing public expectations and lack of institutional support, many feel an overwhelming sense of failure. Signs of burnout appear, including blame-throwing, dropping out, and declining volunteer participation.

Ironically, at this very point the alternative organizations are in the best possible position to enormously increase their fundraising success. Increasing public awareness of your organization, bringing ever more demands for help, are indicators that the support base exists: you need only to tap it, by shifting your emphasis from soliciting funds from a limited pool of very committed backers to soliciting funds from the larger community.

Fundraising does much more for you than simply increasing what your organization has the resources to do. Fundraising also has substantial potential for increasing your political clout. In effect, fundraising amounts to persuading much of the public to pay a voluntary tax to support your service. Your success will show the power-holders that you have a genuine constituency. Thus the likelihood that you will receive direct government support as well as donated support increases.

With enough cash flow, you can hire the staff you need to take enough strain off your volunteers to keep them. You can all do the job you must without risking exhausted collapse.

## Real examples

Richard Avanzino, president of the San Francisco SPCA from 1976 through 1998, and now head of Maddie's Fund, was the first head of a major U.S. humane society to pull his organization out of doing animal control work, with the guaranteed income it provided, cease doing population control killing, and instead emphasize low-cost neutering and adopting out pets.

Avanzino did this after doing math that convinced him that the SF/SPCA could end population control euthanasia in San Francisco if it achieved a volume of pet sterilization--70% of all the dogs and cats in the community--which could be reached only

if the SF/SPCA quit killing homeless animals first, so as to use the funds spent on killing to prevent surplus pet births instead.

Avanzino expected animal shelter intakes and killing to fall like a rock once the

SF/SPCA was performing the number of sterilization



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surgeries that he had estimated was necessary. Instead, each year for the first few years, the newly formed San Francisco Animal Care and Control agency took in about the same number of animals that the SF/SPCA had been receiving—while SF/SPCA intake of owner-surrendered animals skyrocketed. Local animal activists and media lambasted Avanzino for what many wrongly presumed was a catastrophic misjudgment.

Avanzino, however, recognized that the influx of owner-surrenders reflected rising public confidence in the ability of the SF/SPCA to help animals—not just provide a quick death. People who formerly gave away litters "free to good home," unsterilized, or abandoned them to "give them a chance" now brought them to the SF/SPCA.

In effect, the SF/SPCA was paying off the interest on a big debt. It would take years to sterilize enough animals to halt the growth of the San Francisco dog and cat population.

Meanwhile, Avanzino understood the need and the opportunity to fundraise. He kept his job and kept the SF/SPCA on course, under intensive attack, by increasing the SF/SPCA donor base from 1,700 people to 64,000. This gave the SF/SPCA the ability to deal with the increased demand for services until the interest was paid off and the principal of the pet overpopulation debt could be addressed.

In April 1994, the SF/SPCA and SF/ACC signed the Adoption Pact, by which San Francisco became the first city in the world to end all pet population control killing, because there was no longer a need for it. A year later, San Francisco also quit killing "recoverable" animals, those who were sick or injured when brought in but could be returned to good health with veterinary care.

There are other models producing positive results with similar start-up curves. What Avanzino accomplished more than a decade ago has now been accomplished in many other cities.

Following almost exactly the same blueprint, Richmond SPCA president Robin Starr, of Richmond, Virginia, during a three-year series of weekly luncheons raised \$14.2 million to build a new shelter and bankroll an effort to make Richmond the first no-kill city in the U.S. South.

Her fundraising achievement is especially noteworthy because Richmond is a third the size of San Francisco and much less affluent. Unlike the SF/SPCA, the Richmond SPCA is not nationally prominent, and does not have a support base extending beyond just a few miles outside of town.

What Robin Starr did, week after week, is invite various different groups of Richmond residents to lunch, serve good food—mostly vegetarian food, I might add—and give a brief talk promoting the Richmond SPCA to her guests.

Instead of asking anyone to make a donation on the spot, Starr gave her guests donation envelopes to take home. The SF/SPCA is noted for raising 25% more money per city resident than the U.S. norm—but the donation envelopes returned to the Richmond SPCA 33% more per city resident than even the SF/SPCA brings in.

Some stressed local groups may be contemplating shutting down, giving up, or at least restricting their services. That is the wrong approach. You may not be Richard Avanzino, or Robin Starr, but no one knew who they were and what they could do, either, until they found within themselves the ability to do it.

You do not, under any circumstances, want to discourage the public from bringing animals to you. That is what you have been working to achieve: to gain public cooperation in getting homeless dogs and cats out of alleys, forests, fields and dumpsters, and getting every animal sterilized and vaccinated. Tell people now that you cannot help them, and you will squander the years of momentum and good will you have built up.

Instead, fundraise: hold public events; hold dinners; give speeches; go door-to-door; lead dogs with banners saying "Help me!" draped over their backs; set out donor cans on counters; and hand out donation envelopes to each person you contact during your work.

Donation envelopes should have your organization's mailing address printed on the front, with a mini-appeal printed inside or attached to the flap. Pass out the envelopes the way a salesperson hands out business cards.

The holiday season of gift-giving, generosity, and goodwill is the very best time to appeal for money, but fundraising is an essential part of your work for animals, all year long.

Go for the gold! And think of yourselves as winners, the homeless animal champions of wherever you are, because that is who you are, and you deserve the help you are seeking.

### Direct mail basics for animal charities

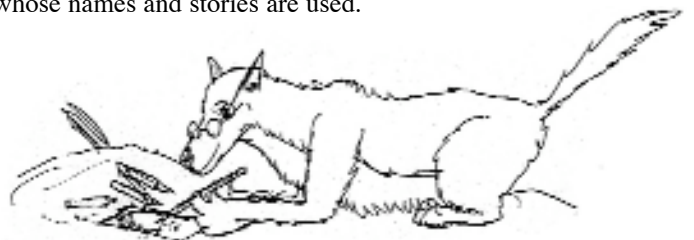
Most U.S. charities—in all branches of charity—attract most of their income through high-volume mailings to prospective donors.

"Direct mail," as this method is called, became uniquely economically advantageous in the U.S. after the U.S. Postal Service was privatized in 1969.

Because the unique conditions that make direct mail successful in the U.S. do not exist in any other nation, U.S.-style direct mailing has had only limited success when attempted in the more affluent parts of Europe and Asia.

Animal charities in other parts of the world can raise funds successfully within the U.S. by doing direct mail to U.S. donors, but only if willing and able to make a very substantial commitment to the effort. This will include working with highly trusted U.S. partners who can incorporate a nonprofit affiliate within the U.S., in order to qualify for nonprofit mailing rates, who will then receive and relay the funds received.

Under no circumstance should incorporating the affiliate and receiving donations be entrusted to a for-hire fundraising company. Neither should a charity agree to let a fundraising company furnish the cost of starting a direct mail campaign in the U.S., to be repaid from the anticipated returns. **ANIMAL PEOPLE** has often seen such arrangements that resulted in only a tiny percentage of all the funds raised actually benefitting the charities whose names and stories are used.





The overwhelming majority of overseas animal charities will not ever be able to do direct mail in the U.S. successfully, and will not be able to do U.S.-style mailing in their own nations, either—but this does not mean that mailings have no place in their fundraising efforts.

On the contrary, most animal charities outside the U.S. should be doing more mailings, using the methods appropriate to wherever they are. Knowledge of the techniques used in the U.S. can help. Some can be successfully emulated; others should be avoided, because they may alienate non-American donors.

Every animal charity should mail appeals to established supporters at regular intervals—at least four times a year.

Sending “cold” mailings to people who have never before donated can help to increase the support base of an organization, but will rarely accomplish more than breaking even.

If you are working in a nation where mailing costs are low, you may be able to break even with a response rate of as little as 1%, the U.S. norm on “cold” mailings.

If your mailing costs are higher, your return rate has to be higher, as well, for sending “cold” appeals to be worthwhile.

The quality of the mailing list you begin with is the critical factor. In the U.S., just a list of people who keep pets might be a good enough start, because on average you only need one recipient in 100 to respond.

A somewhat better list might be people who have signed petitions in favor of a pro-animal project or piece of legislation—if the petitioners are careful to seek signatures from people who are employed and economically established. A petition list of student activists will usually not be economically productive.

In nations with very high mailing costs, you might need to build your mailing list from an introduction more substantial even than petitioning—for example, a list of people who have attended your public events, or who have taken the time to fill out a questionnaire.

## **Getting the donor's attention**

Animal protection donors understand helping animals but they may not necessarily understand what your charity does that is uniquely worth supporting.

You have to explain that to recipients of your appeals, when you ask for donations, and have to explain it quickly, before they lose interest.

One way to do this is to use what is called a “teaser,” a sentence or phrase printed on the envelope intended to pique the curiosity of the recipient.

Most appeals use teasers. They vary a great deal in form. The most effective and credible tend to be catchy slogans or portions of enticing stories about animals, the rest of which will be found within the appeal itself.

Other commonly used teasers include mailing appeals in window envelopes that show a portion of something that looks like a check; an envelope format that looks as if it comes from a government agency; or the promise of something inside, such as a prize, a coupon, a survey form, a contest entry blank, a postcard or petition to send a politician, or a photograph rousing your concern. These are high-risk, because they attract attention in a misleading manner, and gamble that the strength of the appeal message will be sufficient to overcome the recipient’s annoyance

at having been tricked.

In general, teasers help recipients make up their minds whether they want to open the envelope and at least consider making a donation. Many otherwise reputable charities “trick” recipients into opening an envelope. But they don’t want the recipients to feel tricked once they start reading the appeal itself.

## **Style**

Personal appeals tend to be the most effective, if the appeal is made in a manner that inspires donors to help. People who never write checks to charity still toss coins in the hats of talented street corner musicians whose performances they have enjoyed, and buy cookies and candy from children trying to raise money for school projects.

For that reason, fundraisers strive to make mass-mailed appeals look as personal as possible. As a matter of practicality, even small rescue groups and local animal shelters have to get contributions from far more people than they can contact individually. That doesn’t mean they do not want to contact donors personally. Since they cannot, they settle for second-best: the printed message that conveys the thought.

Handwritten notes are often extremely effective. Just a few personal words added to printed appeals can hugely increase response.

Boldfacing and underlining help to convey the essentials of an appeal at a glance. If the recipients look at the appeal at all, they will see the boldfaced and underlined portions, and get most of the message. Then they might go back to get the details, if persuaded that the cause is legitimate, worthwhile, and in need.

## **Structure of an appeal**

The basic structure of an appeal is always the same: the fundraiser explains the need for money, then asks for a donation.

Successful appeals emphasize whatever an organization is doing that others do not do, or do not do as well. This is the same approach taken by commercial advertisers who tell you why you should buy one product instead of another.

Any animal charity should have at least one great story to tell. Single-animal stories do best. Tell how you helped that animal. Ask for money to help more animals just like that one.

## **Return envelopes & reply devices**

Along with the appeal letter, every successful appeal includes a pre-addressed return envelope, which ensures that donations are accurately routed. If the postage on the return envelope is already paid by the charity, in nations where payment-on-receipt arrangements can be made by businesses and nonprofit organizations, this will markedly increase the response rate. In the U.S., using a prepaid “business reply” return envelope typically increases response rates by half or more, because the recipients of an appeal can respond immediately, while they are motivated to do so. Charities are typically reluctant to invest in a “business reply” account, until they see the results, when they always wonder why they did not do it sooner.

Every successful appeal mailing also includes a “reply device.” The practical function of a reply device is to assist the charity with record-keeping: tracking who gave how much, and to which appeal or purpose, if options are offered.

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The simplest of reply devices is a card with the donor address label already affixed and check-off boxes where most donors will confirm their gift of a particular amount. This has relatively little utility in getting donors to give more.

Some fundraising professionals argue that the check-off boxes should be used to suggest gifts of a certain size, but the suggesting has to be low-key, and can actually harm receipts if the suggested amounts are higher than donors are otherwise inclined to give. Feeling compelled to give either a stipulated amount or nothing, the donor who feels pushed may well give nothing, and the charity that loses out will never know why.

### Mailing

Contracting out a quality direct mailing with a professional mailing service is well worthwhile. Doing large mailings yourself to pinch pennies is false economy, if it can be avoided. Your time and energy, and that of volunteers, can usually be more productively spent in face-to-face contact with potential donors than in envelope-stuffing.

If there is no professional mailing service in your community, invite volunteers to a "work party" at which they can

assemble the printed pieces and prepare them for mailing while enjoying refreshments and conversation.

The holiday season of gift-giving, generosity, and goodwill is the very best time to appeal for money, and to hold a mailing party, but fundraising is an essential part of your work for animals all year long.

### P.S.: Don't forget the postscript

Do you know why effective appeal letters always have a postscript? Postscripts are used because people always read them—and lots of people, who already know when they get an appeal that they like the group and want to support it, just read the postscript to see how much money they are expected to send.

The P.S. is yet another attention-getting device, neutral in itself, that can help the donor as much as it helps the fundraiser. It is not there because it is something the fundraiser previously forgot to mention, or because some extra urgent need came up as the appeal was going to press. Rather, it is a reminder that the purpose of the is collecting a donation.

**P.S.: ask urgently and directly for the money you need.**

## Fundraising through accountability

Fifteen years after **ANIMAL PEOPLE** began producing our annual "Who gets the money?" financial reports on animal charities, featured in each December edition, and seven years after our *Watchdog Report* annual handbook began supplementing the numbers with further information, savvy animal charity administrators realize that being included helps them as much as it helps donors. If they are achieving program success, raising funds efficiently, and avoiding scandal, *The Watchdog Report* affirms their accomplishments to the most serious donors, who make the largest contributions and are often the most inclined to leave bequests.

This is an encouraging shift from the atmosphere when we started, when the prevailing attitude of animal charity administrators tended to be that the less donors knew about their operations, the better. The *Watchdog Report* exists, and **ANIMAL PEOPLE** itself exists in part, because people who care enough about animals to invest substantially in nonprofit animal protection work want more information about where their money goes.

This is more than just wanting to ensure that donations are not feeding direct mail mills and enriching overpaid executives, or that charities are fronts for fraud. These are concerns, but they are only worst case scenarios for experienced donors.

Cold solicitations from high-volume mailers would not have a response rate of less than 1% if most recipients did not already recognize and reject look-alike appeals from charities with similar names, shocking photos and sob stories that have already been used for decades, gimmicks such as coins and souvenir merchandise included with appeal letters, envelopes designed to resemble bills or government documents, and the zillion other ploys that route mailings to the trash, unread.

Serious donors have questions that go beyond their letter-sorting response to the daily onslaught of appeals. In fact, donors tend to have questions similar to those of investors in the stock market, only slightly modified in recognition of the differences in purpose. Both animal charity donors and stock purchasers want

to know about prospects for immediate results, longterm prospects, past performance, unique attributes or liabilities of the enterprise, the vision of the leadership, the stability of the management team, the ratios of assets to earnings, and the ratio of investment in promotion to product or service sales.

As with charitable fundraising, either too high or too low an investment in promotion relative to returns tends to suggest eventual failure.

If the charity or corporation is engaged in multiple activities, the donor or investor wants to know which activities are the most productive, which show growth potential, and which are obsolete.

In this regard, the differing responses of animal charities and corporations to such questions tend to demonstrate why corporate executives make more money.

To begin with, a corporation is sales-oriented. The first thing anyone in sales learns is that, "The customer is always right." Fortune 500 companies not only routinely and easily disclose the equivalent of all of the same information included on IRS Form 990, the accountability document that all U.S. charities are required to file and make accessible, but go out of their way to make the information easily available to potential investors.

While Fortune 500 companies zealously guard their trade secrets, financial performance is typically an open book. A potential investor, a business reporter, or even university student who expresses an interest in a Fortune 500 corporation will soon be inundated in quarterly reports that detail the company activity.

Only a handful of the 126 animal charities included in the 2005 *Watchdog Report* offer anything of the kind. About 25%—typical of all charities, according to GuideStar—omit essential information from IRS



Form 990, or incorrectly report fundraising expenses. Foreign animal charities commit similar omissions in producing the balance sheets that they prepare in lieu of filing a document such as Form 990.

## The value of itemization

The most egregious omissions and errors involve attempts to pass off the cost of high-volume, low-yield direct mailings and telephone solicitations as “program” expense, in the name of public education. But this is hardly the only major failure of accountability that we see.

Nearly half the financial statements we review fail to itemize program expenditures in any meaningful way—certainly not like One Voice, of France, whose itemization in 2003 allocated 27% of program spending to lab animal issues, 15% to support of the Wildlife SOS dancing bear sanctuary in India, 15% to oppose circuses, 13% to companion animal issues, 9% to anti-fur work, 8% to oppose dog and cat eating in Asia, 7% to farm animal issues, and 6% to other campaigns.

This presents a clear view of the One Voice priorities, and will help to attract and keep donors who share these concerns.

Contrast the One Voice approach with the Animal Welfare Institute statement on Form 990 that about 75% of AWI program spending in 2004 went to “promote the welfare of all animals and seek to reduce the sum total of pain and fear inflicted on animals by humans.”

Founded in 1952 by the late Christine Stevens, AWI has never been credibly accused of any kind of financial impropriety. This hazy description of program activity is not an attempt to conceal anything—just a typical failure to recognize the value of accountability as a fundraising device.

The IRS Form 990 filings of the North Shore Animal League have since 1989 annually stood out as the most informative that we see. Where AWI program activity is covered in just three terse lines, North Shore provides a veritable yearbook. Each major category of program activity is described in terms of expenditure, returns, objectives, accomplishments, and history. Some of the categories are broken down into sub-categories.

The North Shore filings are not glossy, like a corporate prospectus, but they have always been compiled by people who understand that to attract multi-million-dollar support, one must present program information that shows how it will be used.

Thirty-five years ago AWI was the larger organization. There are many reasons why North Shore now has 10 times the annual donor revenue, among which providing better program descriptions on IRS Form 990 almost certainly ranks fairly low.

But North Shore pioneered another use of accountability as a fundraising device that had a more demonstrable outcome. Instead of charging a flat adoption fee for dogs and cats, as was traditional, North Shore quit charging an adoption fee. Instead, adopters were presented with an itemized list of the costs involved in preparing an animal to be adopted, and are asked for a donation. After that approach was introduced, the typical return per

animal rehomed from the North Shore shelter soared to half again what it was when a flat adoption fee was charged.

Later, North Shore began setting adoption fees according to the anticipated level of adoption demand for each animal. In combination with presenting an itemized list of costs and requesting a donation, this has more than doubled the average cash return per adoption.

Former North Shore operations director Mike Arms now heads the Helen Woodward Animal Center in Rancho Santa Fe, California, and is among the most popular speakers at the Best Friends Animal Society’s No More Homeless Pets conferences. Having supervised programs that have rehomed more than one million animals, Arms has a seemingly endless inventory of techniques to share, but none do more to increase revenue than his discovery that adopters will generously respond to a specific invitation to help with specific line items, at specific amounts.

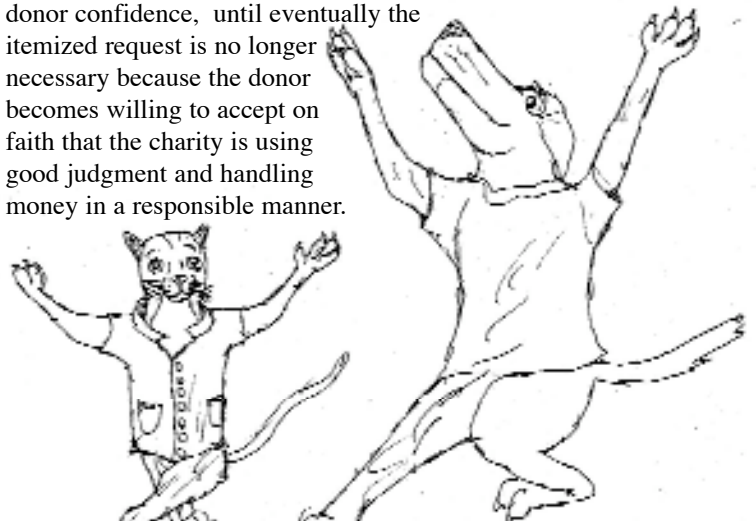
“Vague appeals bring vague response,” Arms emphasizes. “Be honest and tell the donor that spaying or neutering cost so much, vaccination cost so much, kenneling cost so much, etc. Maybe the donor can’t help you with all of the expense, but usually you will get some of it. Maybe the rest will come later. Give the donor a list, and it will be remembered.”

Countless other animal charities now use variants of the “itemized list” approach. Many ask donors to check off on a reply coupon specific amounts that will go toward a specific purpose.

So long as the money is verifiably spent for the purpose for which it is raised, itemizing requests can be especially effective in attracting new donors, including in places where donating to animal charities is a relatively unfamiliar concept.

For example, the Cat Welfare Society of Singapore has issued postcards with attractive photos of cats on one side, with educational single-sentence captions. On the back are brief mentions of the society’s daily expenses for veterinary care, the per cat cost of sterilization and vaccination, and per month costs of keeping a cat in foster care.

Whether the postcards are the right vehicle for bringing in donations remains to be seen. A potential problem is that a postcard does not come with a pre-addressed donor envelope. But the message is right. Business people understand contracts. A donation made in response to an itemized request is in effect a miniature contract, obliging the charity to do specific work. If the work is done properly, and is seen to be done, each transaction builds donor confidence, until eventually the itemized request is no longer necessary because the donor becomes willing to accept on faith that the charity is using good judgment and handling money in a responsible manner.



## The statistics that serious donors want

This is the financial data that we request of all organizations listed in the annual **ANIMAL PEOPLE Watchdog Report on Animal Protection Charities**, based on the questions that readers have asked us over the years—

### Donated & earned receipts

*(not interest & investment income)*

This should include all money received from program service activities, such as adoption, sterilization, vaccination, and boarding fees, plus all donations, grants, and bequests.

### Expenditures

All of the money you spent.

### Program cost

This includes all money spent to fulfill the nonprofit mission of the organization.

For an advocacy group, this would involve everything by way of public outreach that does not ask for money as a primary purpose. If an activity such as a mailing would not be done without the expectation that it will raise funds or help expand the donor list, it should be considered a fundraising expense.

Publications distributed almost exclusively to membership are usually proportionately pro-rated. For example, the cost of producing a newsletter would be a program expense, but the cost of producing an insert catalog promoting t-shirts and coffee mugs would be a fundraising expense, and therefore would be counted as part of overhead.

### Fundraising & administrative costs

In combined form, these two items constitute "Overhead."

Overhead is the cost of fundraising and maintaining the institutional infrastructure.

These include all expenditures necessary to maintain the organization but not in direct fulfillment of the nonprofit mission—e.g. direct mailing expense, the cost of putting on special fundraising events, administrative salaries, taxes, legal fees, accountancy fees, incorporation fees, bank charges, electricity and telephone deposits, security service, insurance, most legal fees (the cost of prosecuting cruelty cases would be program service), most printing and stationery, subscriptions, and proportional shares of other items such as facilities maintenance, depreciation, and travel.

Travel can also be a program expense, if it involves sending program staff to training or educational conferences that teach them skills or on rescue and relief missions.

Depreciation can be a program expense, but it is more often considered overhead. For example, if your depreciation

cost includes office equipment, that part of depreciation is part of "overhead."

Sometimes organizations claim to have an income, but no fundraising expense. But even the cost of printing bank deposit slips is a fundraising expense. Trying to have no fundraising expense is like trying to save energy by not breathing. Trying to pretend you don't breathe is playing dead, and playing dead does not encourage sympathetic passers-by to feed you.

Donors do not want to see you wasting money on excessive direct mailings or telemarketing, but they do want to see you working hard, and visibly breathing, even breathing heavily after exertion, is expected.

Often salaries are properly divided between the overhead and program spending categories. If a charity director spends half of her time supervising animal rescue and half on fundraising and administration, her salary should be allocated half to program expense and half to overhead.

### Total net assets

This is the total value of everything the charity owns, minus outstanding debts.

### Tangible assets

These are land, buildings, and equipment.

### Cash/securities

This is money in the bank and any investments in stocks or bonds that you may have.

## Receipts vs. program

The financial measure most used by charity heads is the balance of donations plus program service revenue and unrelated business income (such as receipts from running a thrift store or selling t-shirts) with program expense.

The ideal is that the program budget should equal the funds raised or earned within the year, while interest on reserves should cover the cost of raising the money. Capital-intensive special projects, such as building a shelter, should be funded by grants and bequests.

If donations plus program service receipts fall short of program cost, the program may be uninspired or poorly promoted. If donations plus program service receipts far exceed program cost, the program budget for the next year should be larger—but some charities hoard rather than use a surplus, to have more interest available to use to raise funds.

This measure favors charities that are old enough to attract large bequests. If younger charities try to build reserves big enough to pay interest equal to their fundraising expense, they run a high risk of perpetually trying to raise more money just to be able to invest more, to bring investment income closer to their ever-climbing cost of attracting donors.

Program service may become a seeming afterthought, and the main accomplishment of the charity may be enriching hired fundraisers—especially if the initial fundraising investment was borrowed from a direct mail or telemarketing firm, as often occurs, with rising debt keeping the charity in bondage.





## Program vs. overhead

**ANIMAL PEOPLE** assesses the balance of program versus overhead spending by using a standard borrowed from the Wise Giving Alliance: charities should spend at least 65% of their budgets on programs, excluding direct mail appeals.

Groups which collect interest on large endowments tend to have lower overhead because they can do less fundraising.

Shelters, sanctuaries, and activist groups which use mostly volunteer labor and donated supplies by contrast may have “high” overhead, if they actually do as much fundraising as they should be doing, because much of their program work does not

appear in cash accounting. One way to deal with that problem is to assign an appropriate value to donated labor and report it as a contribution in kind.

The practice of ascribing direct mail to program service instead of fundraising reflects the common but erroneous belief that “good” charities have the lowest fundraising costs relative to program service. But calling appeal mailings “program service” in the name of humane education has devalued the concept of humane education so much that fundraising for real humane education and outreach has become a very hard sell.

## What **ANIMAL PEOPLE** expects of ethical charities

### *For charities:*

1) The activities of an animal protection charity should verifiably endeavor to help animals, committing the overwhelming volume of resources raised to animal protection work other than fundraising, administration, and the maintenance of reserve funds.

a) **ANIMAL PEOPLE** believes that all fundraising and program literature distributed by an ethical animal protection organization should be truthful, accurate, and up-to-date, and should be amended or withdrawn, as is appropriate, when circumstances change or new information emerges. If a project, campaign, or program is announced but fails to be developed, for whatever reason, donors should be told what happened and what was done instead with the resources raised in the name of that project, campaign, or program.

b) **ANIMAL PEOPLE** believes that under all except the most unusual circumstances, which should be clearly, fully, and prominently explained to donors with solicitations for funds, an ethical animal protection charity should hold fundraising and administrative cost to less than 35% of total expense within a calendar or fiscal year. **ANIMAL PEOPLE** considers “fundraising costs” to include any use of telemarketing to solicit funds, as well as any direct mailings which solicit funds, include envelopes for the return of donations, and would probably not have been mailed if postal rules forbade the inclusion of the donation envelopes. (This standard parallels the guidelines of the Wise Giving Alliance.)

c) **ANIMAL PEOPLE** believes under all except the most extraordinary circumstances, which should be clearly, fully, and prominently explained to donors with solicitations for funds, an ethical animal protection charity should avoid keeping more than twice the annual operating budget of the charity in economic reserves, including investment accounts and the reserved assets of subsidiaries. (This is also consistent with the recommendations of the Wise Giving Alliance.)

2) **ANIMAL PEOPLE** believes that the activities of an animal protection charity should be clearly visible to donors, news

media, and the public. This includes filling out IRS Form 990 fully and accurately, and filing it in a timely manner. Donors, news media, and the public should have the opportunity to personally verify the charitable program.

3) **ANIMAL PEOPLE** believes that animal care charities should go beyond meeting the minimal animal care standards enforced by government agencies such as the USDA Animal & Plant Health Inspection Service under the Animal Welfare Act, and should strive to meet or exceed the “best practice” recommendations of the major supervisory and/or accreditation organizations, if any, overseeing their specialties. Because the purposes of animal care charities vary widely, the appropriate “best practice” recommendations are also widely varied.

Examples of supervisory and/or accreditation organizations whose animal care standards we may expect charities to follow include, but are not limited to, the National Animal Control Association, if an organization holds animal control contracts; the American Zoo Association and the Alliance of Marine Mammal Parks & Aquariums, if the organization exhibits animals or manages zoological conservation programs; and for sanctuaries, the standards of the Animal Centers of Excellence, The Association of Sanctuaries, and the American Sanctuary Association.

Similar organizations set comparable standards for animal care in many nations, with variations suited to their circumstances.

Where no national or regional organization has established standards appropriate for the operation of animal care charities, **ANIMAL PEOPLE** finds generally applicable the “best practice” recommendations in the instructional pamphlet series authored by Maneka Gandhi for distribution by the Animal Welfare Board of India. These recommendations were developed for use under highly adverse conditions with limited resources, yet aspire to a high level of animal well-being.

4) **ANIMAL PEOPLE** believes that an ethical animal protection charity should behave in a manner which takes into consideration the welfare of all animals, not only those under the direct auspices of the charitable programs. Just as it would be unethical for a

human welfare charity to sacrifice the well-being of some people in order to benefit a chosen few, so **ANIMAL PEOPLE** believes it is inherently unethical to cause some animals to suffer on behalf of other animals.

a) Policies which promote the well-being of some animals by encouraging the killing of predators or competitor species are to **ANIMAL PEOPLE** inherently unethical—as are policies which encourage the release or return of animals to habitat where the animals are unwelcome and may be at high risk of enduring human cruelty or extermination.

b) **ANIMAL PEOPLE** recommends that all food served for human consumption by or on behalf of animal charities should be vegetarian or, better, vegan.

5) **ANIMAL PEOPLE** believes that an ethical animal charity should behave in a manner which takes into consideration the well-being of the whole of the animal-related non-profit sector.

a) Fundraising may be competitive, as charities strive to develop the most effective programs of their kind, but **ANIMAL PEOPLE** views as inherently unethical any practice that tends to raise the fundraising costs as opposed to program expenditure of the animal protection sector in general.

b) **ANIMAL PEOPLE** views as inherently unethical the involvement of an animal protection charity, or the officers, directors, and other management of the charity, in any form of crime except for occasional acts of open civil disobedience undertaken in connection with nonviolent protest. **ANIMAL PEOPLE** believes that animal protection charities should not be directed or managed by persons of felonious criminal history involving theft, fraud, or violence against either humans or nonhuman animals.

6) **ANIMAL PEOPLE** believes that even beyond the requirements of law, an ethical animal protection organization must discourage racism, sexism, sexual predation, discrimination, and harassment. Humans are animals too, and must not be subjected to any practice which would be considered cruel or inappropriate if done to the nonhuman animals

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## 14 – Fundraising & Accountability for Animal Charities

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who are the intended beneficiaries of the work of an animal-related charity.

7) **ANIMAL PEOPLE** believes that even beyond the requirements of law, an ethical animal charity must maintain facilities which are safe, clean, and physically and emotionally healthy for animals, visitors, and staff.

8) **ANIMAL PEOPLE** believes that if and when an ethical animal charity finds itself to be in violation of any of these standards, however accidentally and unintentionally, it must set to work immediately to resolve the problems.

9) **ANIMAL PEOPLE** views as inherently unethical the use of legal action to attempt to silence criticism. **ANIMAL PEOPLE** believes that all nonprofit charities and their officers, directors, and management should view themselves as operating under public scrutiny, for the public benefit, and as being therefore public figures subject to the same kinds of observation, criticism, commentary, and satire as elected officials, candidates for public office, and celebrities. This is a somewhat more stringent requirement than is recommended by other codes of ethics recommended for nonprofit organizations. It replaces the expectation implied within the standards developed with human service institutions in mind that the constituency of the charity shall be able to monitor the work and intervene if necessary to ensure that the duties of the charity are properly fulfilled.

10) **ANIMAL PEOPLE** believes that an ethical animal-related charity, if it employs an outside fundraiser or fundraising counsel, should hire only fundraisers or fundraising counsels with no conflicts of interest, such as simultaneously representing organizations or political candidates with goals opposed to those of the animal-related charity, who follows these standards:

### *For fundraisers*

F1) **ANIMAL PEOPLE** believes that an ethical fundraiser or fundraising counsel for an animal charity is one who endeavors to help the client charity to meet all of the ten standards enumerated above.

F2) **ANIMAL PEOPLE** believes it is inherently unethical for a fundraiser or fundraising counsel to undertake or advise telemarketing, direct mailing, or any other kind of activity at a level or in a manner which results in combined fundraising and administrative cost exceeding 35% of the total spending by the charity during the year.

F3) **ANIMAL PEOPLE** believes it is inherently unethical for a fundraiser or fundraising counsel to make claims in telemarketing, direct mailing, or other fundraising activity which are not factually substantiated.

F4) **ANIMAL PEOPLE** believes it is incumbent upon a fundraiser of fundraising



counsel to ascertain that all claims made in telemarketing, direct mailing, or other fundraising activity are factual. As with the failure of an animal protection charity to meet basic animal care standards, **ANIMAL PEOPLE** believes that ignorance is no excuse.

F5) **ANIMAL PEOPLE** believes it is incumbent upon a fundraiser or fundraising counsel to ensure that all nonprofit organizations represented fill out and promptly file a complete and accurate IRS Form 990, if operating in the U.S., including complete disclosure of all telemarketing and direct mailing expenses, and that an ethical fundraiser should sever ties with any charity which fails to do so.

Similar financial disclosures should be required of charities operating abroad.

F6) **ANIMAL PEOPLE** believes it is incumbent upon a fundraiser or fundraising counsel for animal charities to ensure that all applicable animal care standards are consistently met. Though an ethical fundraiser or fundraising counsel may represent an animal charity which is raising funds to achieve compliance with applicable standards that it temporarily falls short of meeting, **ANIMAL PEOPLE** believes the need to raise an exceptional amount of money for capital improvements does not justify an investment in fundraising so high that fundraising and administration cost more than 35% of the total expenditures of the charity during the fiscal or calendar year. **ANIMAL PEOPLE** believes an ethical fundraiser or fundraising counsel for animal charities should not represent an organization which is so far derelict in meeting the applicable animal care standards, especially those of the U.S. Animal Welfare Act, that adequate funds to make improvements cannot be raised while staying under the 35% limit.

F7) **ANIMAL PEOPLE** believes it is inherently unethical for a fundraiser or fundraising counsel to represent an animal charity which is involved in any kind of crime other than civil disobedience undertaken as

nonviolent protest, or whose officers, directors, and other management are involved in crime other than civil disobedience as nonviolent protest, or whose officers, directors, and other management have felonious criminal records involving theft, fraud, or violence against either humans or nonhuman animals. **ANIMAL PEOPLE** believes that it is incumbent upon a fundraiser or fundraising counsel to ascertain whether the key personnel of client charities have criminal history.

F8) **ANIMAL PEOPLE** believes it is inherently unethical for a fundraiser or fundraising counsel for animal charities to simultaneously represent organizations or political candidates whose activities or goals conflict with the interests of animals. For example, **ANIMAL PEOPLE** believes it is inherently unethical for a fundraiser or fundraising counsel for animal charities to simultaneously represent, including through technically separate companies, any organizations or political candidates whose activities or goals include weakening or repealing animal protection laws.

F9) **ANIMAL PEOPLE** believes it is inherently unethical for a fundraiser or fundraising counsel to use lawsuits, or the threat of lawsuits, to try to silence criticism, or to try to compel a charity to adhere to a fundraising contract which the charity has determined is disadvantageous.

If a charity finds that it erred in signing a contract which is so disadvantageous that the activities undertaken in the name of the charity are not chiefly benefiting the charitable work, the charity should be allowed to break or amend that contract without further allocation or diversion of resources away from the charitable work that it was incorporated to do. An ethical fundraiser or fundraising counsel should accordingly discourage client charities from incurring debts to the fundraiser or fundraising counsel so large as to require additional fundraising activity after the initial contracted telemarketing or mailings.

F10) **ANIMAL PEOPLE** believes that fundraisers and fundraising counsels for charities should view themselves as operating as *ex-officio* officers of their client charities, under mandate to represent the best interests of the client charities, and under public scrutiny, for the public benefit, which makes them therefore public figures subject to the same kinds of observation, criticism, commentary, and satire as elected officials, candidates for public office, and celebrities. Similar standards already apply to lawyers employed by charities in some states, recognizing the privileged position of a lawyer relative to the governance of a charity, yet a hired fundraiser or fundraising counsel often has equal or greater influence on how a charity operates because fundraising along with policymaking and oversight is among the generally recognized duties of a nonprofit board of directors.